

**ASSEMBLY BILL**

**No. 1598**

**Introduced by Assembly Member Corbett**

February 21, 2003

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An act to amend Section 3 of Chapter 899 of the Statutes of 1995, and to amend Section 2 of Chapter 895 of the Statutes of 2001, relating to seismic activity, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1598, as introduced, Corbett. Seismic safety: insurance: retrofitting.

Existing law requires the Department of Insurance to establish a program for residential grants and loans to help pay for the retrofitting of high-risk residential dwellings owned or occupied by low- and moderate-income households, in order to minimize the risk of earthquake damage to those dwellings and thereby reduce the costs of residential earthquake insurance. Existing law appropriates \$4,400,000 from the California Residential Earthquake Recovery Fund to the department for the purposes of this program. Existing law limits the department to using no more than \$265,000 per fiscal year to administer the program. The funds are available until December 1, 2004. Existing law appropriates the entire amount of funds not previously appropriated from that fund, not to exceed \$1,500,000, to the department for purposes of the program.

This bill would appropriate \$12,200,000 from the California Residential Earthquake Recovery Fund to the department for the purposes of this program. The bill would limit the department to using no more than \$265,000 for the 1998–99 through 2002–03 fiscal years,

and to using no more than \$355,000 per fiscal year thereafter to administer the program. This bill would make the funds available until July 1, 2007. The bill would also increase the maximum appropriation to the department of the entire amount of funds not previously appropriated to \$2,900,000.

The bill would declare that it is to take effect immediately as an urgency measure.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 3 of Chapter 899 of the Statutes of 1995  
2 is amended to read:

3 Sec. 3. The sum of ~~four million four hundred thousand dollars~~  
4 ~~(\$4,400,000)~~ *twelve million two hundred thousand dollars*  
5 *(\$12,200,000)* is appropriated from the California Residential  
6 Earthquake Recovery Fund to the Department of Insurance for the  
7 program established pursuant to this act. During the second half of  
8 the 1995–96 fiscal year, the Department of Insurance may use up  
9 to one hundred fifty-nine thousand dollars (\$159,000) for costs of  
10 initial implementation and administration of the program. During  
11 the 1996–97 and 1997–98 fiscal years, no more than two hundred  
12 thousand dollars (\$200,000) per fiscal year may be used by the  
13 department to administer this program. *During the 1998–99*  
14 *through 2002–03 fiscal years, no more than two hundred sixty-five*  
15 *thousand dollars (\$265,000) per fiscal year may be used by the*  
16 *department to administer this program.* Thereafter, no more than  
17 ~~two hundred sixty-five thousand dollars (\$265,000)~~ *three hundred*  
18 *fifty-five thousand dollars (\$355,000)* per fiscal year may be used  
19 by the department to administer the program.

20 Money appropriated by this section shall be available for  
21 expenditure until ~~December 1, 2004~~ *July 1, 2007*. On and after that  
22 date, the program established by Chapter 899 of the Statutes of  
23 1995 shall no longer be operative.

24 SEC. 2. Section 2 of Chapter 895 of the Statutes of 2001 is  
25 amended to read:

26 Sec. 2. The entire amount of funds not previously  
27 appropriated, not to exceed ~~one million five hundred thousand~~  
28 ~~dollars (\$1,500,000)~~ *two million nine hundred thousand dollars*

1 (\$2,900,000), is appropriated from the California Residential  
2 Earthquake Recovery Fund to the Department of Insurance for the  
3 program established pursuant to Chapter 899 of the Statutes of  
4 1995.

5 SEC. 3. This act is an urgency statute necessary for the  
6 immediate preservation of the public peace, health, or safety  
7 within the meaning of Article IV of the Constitution and shall go  
8 into immediate effect. The facts constituting the necessity are:

9 In order to facilitate the issuance of grants and loans to provide  
10 an enhanced level of residential earthquake protection to  
11 homeowners living in high-risk areas, it is necessary that for this  
12 act to take effect immediately as an urgency statute.

